

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Texas Health Southwest

Respondent Name

Indemnity Insurance Co of North America

MFDR Tracking Number

M4-22-2112-01

Carrier's Austin Representative

Box Number 15

DWC Date Received

May 25, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 27, 2021	Pharmacy	\$0.00	\$0.00
July 27, 2021	IV Solutions	\$0.00	\$0.00
July 27, 2021	Sterile Supply	\$0.00	\$0.00
July 27, 2021	Supply Implants	\$0.00	\$0.00
July 27, 2021	C1713	\$0.00	\$0.00
July 27, 2021	29867 LT	\$12602.13	\$8402.58
July 27, 2021	29881 LT	\$3002.67	\$0.00
July 27, 2021	Anesthesia	\$0.00	\$0.00
July 27, 2021	J0690	\$0.00	\$0.00
July 27, 2021	J0690	\$0.00	\$0.00
July 27, 2021	J1100	\$0.00	\$0.00
July 27, 2021	J1885	\$0.00	\$0.00
July 27, 2021	J2250	\$0.00	\$0.00
July 27, 2021	J2405	\$0.00	\$0.00
July 27, 2021	J2704	\$0.00	\$0.00
July 27, 2021	J2704	\$0.00	\$0.00
July 27, 2021	J3010	\$0.00	\$0.00
July 27, 2021	J3490	\$0.00	\$0.00
July 27, 2021	J7120	\$0.00	\$0.00
July 27, 2021	Recovery	\$0.00	\$0.00

	Total	\$8402.58	\$8402.58
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Requestor's Position

"Total Charges: \$78,61.21 Total Work Comp Fee Schedule (MAR): \$24,007.38

Amount in Dispute: \$8402.58

Respondent's Position

The Austin carrier representative for Indemnity Insurance Co of North America is Downs Stanford. The representative was notified of this medical fee dispute on June 1, 2022.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.403 sets out the fee guidelines for outpatient hospital services.

Denial Reasons

The insurance carrier reduced or denied the payment for the disputed services with the following claim adjustment codes:

- TX193 – Original payment decision is being maintained. Upon review it was determined that this claim was processed properly
- TXP12 – Workers' compensation jurisdictional fee schedule adjustment
- TX790 – This charge was reimbursed in accordance to the Texas Medical Fee Guideline.

Issues

1. What rule applies for determining reimbursement for the disputed services?
2. Is the requester entitled to additional reimbursement?

Findings

1. DWC Rule 28 TAC §134.403 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service.

The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

DWC Rule 28 TAC 134.403 (e) states in pertinent part, regardless of billed amount, when no specific fee schedule or contract reimbursement shall be the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implatables.

DWC Rule 28 TAC 134.403 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*.

The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

- Procedure code 29867 has status indicator J1, for procedures paid at a comprehensive rate. All covered services on the bill are packaged with the primary "J1" procedure. The Medicare Claims Processing Manual at www.cms.gov states in pertinent part when more than one J1 procedure is submitted only the highest ranking J1 procedure is payable. Code 298567 has a ranking of 137. The other J1 procedure submitted on the medical claim Code 29881, has a ranking of 2,156. Only code 29867 is payable per the applicable Medicare payment policy,

This code is assigned APC 5115. The OPPS Addendum A rate is \$12,314.76 multiplied by 60% for an unadjusted labor amount of \$7388.86, in turn multiplied by facility wage index 0.9707 for an adjusted labor amount of \$7,172.37.

The non-labor portion is 40% of the APC rate, or \$4,525.90.

The sum of the labor and non-labor portions is \$12,098.27.

The Medicare facility specific amount is \$12,098.27 multiplied by 200% for a MAR of \$24,196.54.

2. The total recommended reimbursement for the disputed services is \$24,196.54. The insurance carrier paid \$15,604.80. The requestor is seeking additional reimbursement of \$8,402.58. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement \$8,402.58 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that Indemnity Insurance Co of North America must remit to Texas Health Southwest \$8,402.58 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	August 29, 2022
Signature	Medical Fee Dispute Resolution Officer	Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** with any other required information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.

